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PROGRAMME OF WORK OF THE INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING: EDUCATION AND TRAINING IN DEVELOPING COUNTRIES AND COUNTRIES IN TRANSITION

The International Conference on Accounting Development in Francophone Africa

Report of the Secretary-General

SUMMARY

Based on a survey of accounting needs in Africa, undertaken in 1989, the International Working Group of Experts on International Standards of Accounting and Reporting requested the Commission on Transnational Corporations to instruct the United Nations Centre on Transnational Corporations to take the necessary follow-up action, including the organization of two regional meetings - one for Francophone Africa, and one for Anglophone Africa. The purpose of the meetings was to discuss with interested parties the findings of the Africa survey, to identify strategies to strengthen accountancy development in Africa, to formulate project

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proposals and to select pilot projects with the objective of meeting accounting needs in the countries concerned. The first regional meeting, the International Conference on Accountancy Development in Francophone Africa, was held from 14 to 17 October in Dakar, Senegal. At that meeting, a number of project proposals were reviewed, in the following areas: accounting standard-setting and research, strengthening of the profession, and basic and advanced accounting education and training. However, the meeting was not able to select pilot projects, mainly because certain project proposals needed restructuring and elaboration. Action to be taken in that regard is discussed in this report, which recommends the establishment of an ad hoc working group to undertake the task and the organization of a consultative meeting of the working group to make the final selection of pilot projects.

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INTRODUCTION

1. At its seventh session, in 1989, the International Working Group of Experts on International Standards of Accounting and Reporting considered a report of the Secretary-General on the ways and means of improving education, research and practical training in the field of accounting and reporting in Africa (E/C.10/AC.3/1989/7). One of the Group's most important functions is to provide advisory services to countries in the process of standard-setting. The Group discussed the feasibility of providing technical assistance and agreed that in order to identify various aspects of such assistance, a survey of accounting needs in Africa should be undertaken by the Centre on Transnational Corporations.

2. The survey was conducted by the Centre, the World Bank and the International Labour Office (ILO). It was carried out between September and December 1989, mainly by means of a questionnaire which was sent to Governments, national professional accounting bodies, firms of accountants, educators, donor agencies and a number of individuals prominent in the field of accounting in their own countries. In addition to the questionnaire responses, information was obtained by personal interviews and by telephone.

3. The survey covered legal and regulatory frameworks, the supply of accountants and their education and training, and the future demand for their services. Thirty-seven countries were surveyed, and the picture which emerged is discouraging. For example, 18 of the countries have fewer than 50 fully qualified accountants each, and most of them are in the private sector, leaving the public sector seriously understaffed. While almost all countries have a professional accounting body, very few offer a national qualifying examination, which is an important constraint on the supply of fully qualified accountants. It is clear that such deficient accounting environments cannot support standard-setting activities. Hence it is unlikely that financial information will be comparable or transparent either in the public or private sector, and this ultimately results in the lack of accountability which is so widely discussed in Africa. The survey identified the following three priority areas on which future development efforts should focus:

(a) Accounting standard-setting and research;

(b) Strengthening the accounting profession;

(c) Basic and advanced accounting education and training.

4. During the Group's eighth session in 1990, the experts discussed the survey (E/C.10/AC.3/1990/11). After consultations with the Centre on Transnational Corporations, the World Bank and ILO, the Group called upon the Commission on Transnational Corporations to request the Centre to undertake appropriate follow-up action, including:

(a) Holding regional meetings in Africa with the specific purpose of discussing the findings of the survey and identifying, with the representatives of Governments, academia and the accounting profession, long-term and comprehensive strategies to strengthen accounting development;

(b) Organizing these meetings with the international aid community, including the World Bank, the International Labour Organisation and the United Nations Development Programme, as well as regional and bilateral agencies and professional organizations;

(c) Formulating, based on these strategies, pilot projects for meeting accounting needs in Africa. 1/

5. The aim of the Group was to formulate an effective technical assistance programme which would be well researched, have widespread support and approval and be capable of meeting needs identified in the survey.

6. The development objectives are:

(a) To improve accounting training and research in order to produce adequate numbers of fully qualified accountants and competent accounting technicians;

(b) To promote the use of efficient accounting systems in the public and private sectors;

(c) To implement accounting and reporting standards;

(d) To enable developing countries to participate in international standard-setting and effectively to raise issues which are important to them.

7. The survey phase of this activity has been completed. The next - and current - phase, consisting of regional meetings, has begun. One regional meeting (Francophone Africa) has been held (see para. 9); another (Anglophone Africa) is expected to be organized in 1992. The objectives of the two meetings are:

(a) To identify countries which can most benefit from a technical assistance programme in accountancy development;

(b) To identify the most useful accounting projects;

(c) To identify interlinkages between existing projects and any new projects;

(d) To approve draft pilot-project documents;

(e) To obtain the support of African officials and professionals and international agencies active in the field of accounting;

(f) To finalize at least four pilot-project designs and seek their funding.

8. Three types of pilot projects are envisaged: standard-setting and research; strengthening the profession; and basic and advanced accounting education and training.

I. INTERNATIONAL CONFERENCE ON ACCOUNTANCY DEVELOPMENT IN FRANCOPHONE AFRICA

9. The first International Conference on Accountancy Development in Francophone Africa was held from 14 to 17 October 1991, in Dakar, Senegal, under the patronage of the President of Senegal. It was organized by the Centre on Transnational Corporations and the Fédération internationale des experts-comptables francophones (FIDEF), with the support of the International Labour Organisation (ILO). It was attended by a great number of presidents and vice-presidents of national accounting councils, directors of institutes, and representatives of international organizations.

10. The Conference consisted of panel discussions, a technical session, and a review of project proposals. Panel discussions were held on the following issues:

(a) The significance of international accounting activities for developing countries;

(b) Review of the activities of the Intergovernmental Group of Experts;

(c) Accounting needs in Africa;

(d) Accounting activities of international organizations.

11. The African participants also had an opportunity to comment on certain key issues discussed by the Group, such as environmental accounting, accounting for joint ventures, privatization and organization of the profession.

12. The main panel presentations and discussions at the Conference stressed the importance of harmonization of accounting standards in attaining goals of economic integration and development; recognized the need for developing countries to participate actively in international standard-setting; and recognized the need in developing countries for both competent professionals and strong local professional associations to formulate and implement their national standards. They also stressed the need for adequate accounting training programmes and acknowledged the need for mutual recognition of accounting education/training degrees/diplomas in Africa.

13. A technical session was held, at which representatives of the Institut national des techniques économiques et comptables (INTEC) presented a new system of accounting which was developed for enterprises in market economies

and which was consistent with the European Community Directives and international accounting standards. It provided a basis for the development of national systems and could also be used as a training tool.

14. The latter part of the Conference was devoted to a review of proposals for accounting projects in the three priority areas identified by the Group as a result of the Africa survey (see para. 3).

15. The main conclusions of the Conference were:

(a) There was a need to make African leaders more aware of the importance of reliable, comparable and transparent accounting information and the role of accountants in producing it;

(b) The adoption of international accounting standards and the adaptation of national laws, rules and regulations to such standards would improve the ability to assess the activities of transnational corporations;

(c) International accounting organizations such as the Intergovernmental Group, the International Standards Committee (IASC), and the International Federation of Accountants (IFAC) should admit as members more representatives from developing countries and should improve the dissemination of information about their activities, particularly on international standards, international guidelines on education and on the activities of the organizations;

(d) There should be better coordination of accounting activities in Africa. It was suggested that a directory of training programmes be assembled, and that an update of the Africa survey be done every three years;

(e) Ways should be sought to give more value to African diplomas. It was suggested that an international project, as opposed to a national or regional one, could be undertaken by the Education Committee of IFAC.

II. REVIEW OF PROJECTS

16. Of 12 written project proposals, 10 were national projects and 2 were regional projects. The relative advantages of national versus regional projects were debated in connection with the review. In general, most African representatives at the Conference advocated national projects, whereas representatives of developed countries and international organizations present were in favour of developing some of the projects into regional projects. African representatives favoured national projects so that they could more directly capture the benefits while minimizing the costs to the host country. International and national donors were under the impression that there were certain economies of scale to be gained and that some projects in some of the smaller countries would not be feasible because of heavy infrastructure costs relative to the number of beneficiaries. However, each project - whether national or regional - must be evaluated in the light of certain criteria. It was possible that some types of activity could only be developed on a national scale whereas others could be either national or regional in scope.

A. National projects

1. Accounting standard-setting and research

Gabon

Project title: Technical Assistance for the Establishment of a Superior Accounting Council

17. The project proposal addresses needs in the areas of standard-setting and accounting research. The main objective is to establish an infrastructure for standard-setting and harmonization - i.e., an accounting council. The proposed accounting council would also promote accounting as a management tool and as an instrument for the exchange and comparison of reliable and consistent financial information.

Morocco

Project title: Technical and Logistical Assistance to the National Accounting Council

18. The project proposal deals with standard-setting and research. The objective is the institutional strengthening of the present national accounting council with a view to developing and using accounting standards to obtain reliable accounting information. The future national accounting council would elaborate and propose general and sectorial standards and coordinate and encourage activities related to accounting in the following fields: research, basic and advanced accounting education, and training.

Togo

Project title: Development of a National Accounting Plan

19. The objective of the project is to standardize different accounting systems currently used by private enterprises. The project would involve accounting standards research for the purpose of establishing a national accounting plan.

2. Strengthening of the profession

Burundi

Project title: Governmental Budget and Accounting Reform

20. The nature of the project is somewhat unclear. The objective seems to be to strengthen the capacity of the government accounting agency in order to centralize all the financial operations of the public sector. This would be accomplished by developing a system of government accounting and a Plan comptable de l'Etat, which would provide reliable information on public finances. As such, the project might be more appropriate for consideration by the Department of Technical Cooperation for Development (United Nations Secretariat) which sponsors work in government accounting.

Benin

Project title: Assistance to the National Accounting Council

21. The objective of the proposed project is to strengthen the capacity of the existing national accounting council with a view to facilitating the development of national accounting standards, including the implementation of international accounting standards, adapting Benin's Plan comptable to small and medium-sized enterprises and to specific economic sectors, such as agriculture, and provide basic and specialized development training programmes for accounting personnel.

Mauritius

Project title: Not available

22. The objective of the proposed project is to establish a joint accounting council. Very little information is available.

Mali

Project title: Strengthening the Administrative, Technical, and Financial Capacities of the National Accounting Council

23. The main objective is institutional development by strengthening the technical capacities of local professionals.

3. Accounting education and training

Rwanda

Project title: Centrale comptable et organisation

24. The focus of the proposed project is basic and advanced accounting education and accounting research and standardization. The objective is to develop and strengthen financial analysis, general management, internal controls, and accounting and financial management in public enterprises, by offering various seminars and conferences on accounting.

Gambia

Project title: Training

25. The nature of the proposed project is the strengthening of the training capabilities of the Management Development Institute with a view to achieving a higher level and wider scope of accountancy qualification. The objective of the project is to rapidly increase the supply of both professional accountants and bookkeepers for both the public and private sectors of the economy.

Mauritania

Project title: Seminars and Standards

26. The objective of the proposed project is to strengthen the accounting profession by organizing accounting education and training programmes.

B. Regional projects

27. Both of the regional projects are in the area of accounting education and training.

Senegal

Project title: Regional Project on Advanced Accounting Education

28. The main objectives are capacity-building, with a view to strengthening the infrastructure for standard-setting, and educational development of the profession.

Kenya

Project title: Regional Programme to Train Technical Directors for African Accountancy Institutes

29. The objectives of the proposed programme are to train technical directors so that they can enlarge the scope of their activities and learn training methods. This would assist them in fulfilling national needs such as developing local accounting standards, adapting international accounting standards, and carrying out research on topics relevant to local circumstances. Professional needs would also be served, by means such as the strengthening of the local accountancy body to enable it to encourage the development of accountancy in the country, to inform members of current developments in accountancy, to update knowledge and to promulgate accountancy standards. The present proposal is directed towards Anglophone Africa. It also foresees a corresponding programme for Francophone Africa.

III. PROJECT ASSESSMENT

30. In general many of the project proposals contained too little information or needed to be restructured for an objective project assessment. The risk of selecting some of the more developed proposals over the less developed ones was very great. In one way or the other, all the projects met the needs identified in the Africa survey, and countries that were potentially most in need of technical assistance in the field of accounting might be passed over if they were not encouraged to provide more details about their projects.

31. The evaluation of each proposed project should take into consideration the needs identified in the Africa survey; the preliminary project assessment made at the Conference; and additional ways and means to improve project design and project assessment.

A. Needs identified in the Africa survey

32. The Africa survey revealed that many of the problems regarding accounting needs were common to almost all African countries. The main Pan-African problems identified were the following:

(a) There are too few indigenous fully qualified accountants;

(b) Public-sector accounting is poor;

(c) Education is inadequate at all levels;

(d) Accounting technicians are of poor quality;

(e) Low priority is given to accounting standards and their enforcement;

(f) There is an overdependence on other national accounting systems and standards.

33. The specific problems of the Francophone countries were mainly the following:

(a) There is an excessive reliance on tax law for financial reporting purposes instead of internationally recognized, generally accepted accounting principles;

(b) The Plan comptable has not been updated and the Plan simplifié has not been adopted in some countries;

(c) Some local accounting bodies have restrictive membership policies;

(d) There are no national diplomas that are recognized internationally for fully qualified accountants;

(e) There is a proliferation of special-purpose public-sector auditing bodies.

34. The survey had concluded that while it was possible to identify problems that were common for groups of countries and while it might be cost-effective to design a regional strategy, individual country needs should not be forgotten.

35. The next step was to identify those countries that could most benefit from technical assistance. In order to provide a basis for further project assessment, a summary of the needs identified in the Africa survey, on a country-by-country basis, for those countries that have submitted project proposals has been attached as annex I.

B. Preliminary project assessment at the Conference

36. At the Conference an attempt to assess the project proposals was made during the concluding panel discussion. There was reluctance to rank projects, and no selection of pilot projects was made, mainly because many proposals needed restructuring and further elaboration. Instead, general conclusions were drawn, and recommendations were given for each of the priority areas identified by the Africa survey. The conclusions and recommendations also reflected the views of the rapporteurs on regional versus national projects.

37. In the area of standard-setting and strengthening of the profession, the following general observations were made:

(a) While national situations differ, the needs of individual countries are basically the same;

(b) It might be better to invigorate existing projects and infrastructures than to start new projects;

(c) It is not clear what role Governments shculd or would have in the projects.

38. It was recommended that some of the projects be restructured in order to improve their chances for funding and implementation. The following points were made:

(a) If a standard-setting organization is to be established, its objectives must be clearly and specifically stated;

(b) Standard-setting would not end once the standards were written;

(c) The possibility of an organization to implement standards must be provided for in the projects;

(d) Methods needed to be proposed for disseminating the standards;

(e) Coordination across borders among standard-setting bodies and national organizations was necessary. .

39. While most of the project proposals in the area of accounting education and training would stimulate the supply of accountants, there were few project proposals that would promote the demand for accountants. Furthermore, it was emphasized that training should be adapted to economic reality such as the size of an enterprise, whether public or private. Therefore, different types of accountants would have to be trained. Since the accounting principles followed in Africa were mainly for larger enterprises, they needed to be adapted to small enterprises.

40. Since worldwide standardization of accounting practices was leading to a standardization of accounting education, it would be advisable to avoid creating a national system that would later have to be harmonized. It might be best to adopt international educational guidelines from the beginning.

41. It was considered necessary to enlarge projects beyond national frontiers to take into consideration common training schemes, common development of materials and common exams. The goal should be to use existing physical structures as far as possible. It was suggested that national institutions could form a network, with each specializing in a particular development task. The networks could exchange information about programmes, curricula, trainers, teaching materials etc. In addition, a catalog of information about the content of the various training programmes could be put together in order to start a network.

C. Additional ways and means of improving project design and project assessment

42. In order to complement the project assessments made at the Conference, other considerations need to be taken into account when identifying and

designing possible accounting projects in Africa. In a recent discussion of its technical assistance projects, the ILO pointed out that some accounting projects were based on criteria that, although relevant in a developed society, might have little relevance in Africa and consequently did not promote overall accounting development there. The ILO drew attention to the complex environmental forces in Africa, which must be taken into account if a project was to succeed but which the project itself could not control. One way to identify those forces was to work with local people. It was suggested that the best settings were workshops, where selected influential individuals representing various groups (employers associations, accounting associations, training centres, development banks etc.) could discuss and analyse the environmental forces that would affect the project. Once the environmental forces were classified - positive or negative, impelling or impeding - an assessment of the importance of each should be carried out. The strategy was based on strengthening the positive forces and ameliorating the negative ones in order to achieve project objectives. According to the ILO, it was vital to get influential people to agree on the forces and keep them committed to a development strategy if an accountancy project was to succeed. One way of building and sustaining commitment was to organize workshops and seminars where interested parties "brainstormed" ideas, prepared a list of environmental forces, and then created strategies to deal with them.

43. Examples of environmental forces are given in annex II and the figure attached to it. Annex II lists some environmental forces that favour and disfavour accounting development. It also describes their degree of influence on the project. They are classified into the following six groups: economic; educational; political/governmental; cultural; professional; and donor-agency systems. The figure gives examples of positive (impelling) and negative (impeding) forces in accounting development.

44. The ILO has also considered a possible instrument for evaluating the design of new accounting development projects. The proposed instrument, described in annex III, consists of the following five groups of test criteria:

(a) Political and governmental support;

(b) Critical key purpose;

(c) Viable target population;

(d) Valid assumptions in a supportive environment;

(e) Plans for supervision and flexible adaptation.

45. Each of the groups has a test score between 0 and 20, and the total score a project can receive is 100. If a project receives more than 80 points, the design is considered excellent; between 51 and 79 is acceptable. If the project score is below 50, there is a clear need to redesign it.

46. In group 4 the environmental forces described above would be taken into account. The instrument is an additional way to test the viability of new accounting projects. It could also serve as a reminder in design and redesign and in any further assessment of project proposals.

IV. RECOMMENDATIONS FOR FURTHER WORK

47. The Conference was the first occasion at which so many representatives of the accounting profession - from both developed and developing countries, international organizations, Governments, and other interested parties - were gathered to discuss accounting development in Africa.

48. Regarding further work, it was suggested that the project proposals required further elaboration in order to facilitate the selection process. An ad hoc working group could be created with members from developing countries, developed countries and international organizations. It would take the following actions:

(a) Further analyse and refine the project proposals in the light of the findings of the Africa survey, the project assessments made in Dakar and the suggestions for additional ways and means of improving project design and assessment as described in the present report;

(b) Contact country representatives concerning additional questions that might arise and possible project restructuring and redesign;

(c) Organize programming missions. Once possible pilot projects have been identified and a preliminary selection made, missions would be undertaken by one international expert and one national expert. They would identify all appropriate participants, both national and international, and would draw up the final project design and a plan of action, including the responsibilities of all parties;

(d) Organize a consultative meeting (of the proposed ad hoc working group) to which all interested parties would be invited, in order to discuss and evaluate project proposals; "brainstorm" additional ways and means of improving product design and assessment, as described in the present report; discuss and agree on a coherent strategy for the further development of national versus regional accounting projects; and select pilot projects.

Notes

1/ See E/C.10/1990/7.

Annex I

ACCOUNTANCY NEEDS IN SELECTED AFRICAN COUNTRIES ACCORDING TO THE AFRICA SURVEY

Benin

Technical assistance measures should be taken in the field of standard-setting to formulate accounting standards appropriate to the local environment and to train standard setters in international, generally accepted concepts, principles and practices. A statistical analysis of the accounting profession is also much needed. Finally, steps should be taken to make the Conseil national de la comptabilité operational.

Burundi

It is widely acknowledged by managers in government and in public and private enterprises that the quality of higher education in the field of accounting is inadequate and is steadily deteriorating. Most graduates in Sciences économiques et administratives do not meet the minimum requirements of the accounting profession. The need for nationals who are competent accountants at all levels of the profession is enormous, and the demand far exceeds the supply, one result of which is the perpetuation at enormous cost of expatriate accountants. Thus it would appear that the accounting profession needs to be organized and its access regulated.

In addition, although the need to improve accountability is globally perceived at all levels, accounting is still not yet understood as a management tool and is looked upon as a perfunctory exercise.

There is also general agreement that the Commissaires aux comptes have doubtful professional qualifications. If they were required to submit proof of qualifications, the majority of civil servants at present monopolizing the auditing of public enterprises would be disqualified. Hence, fierce resistance to any changes is to be expected in the Ministry of Finance.

Consideration could be given to the following:

(a) Enactment of new legislation governing private enterprises, including audit requirements;

(b) A review of the role and responsibilities of the Inspection générale des finance and the organization of help in building its capabilities - that is, training a core staff of that office;

(c) Review and redesign of the Plan comptable national to adjust it to the business environment and conditions in the country;

(d) Establishment of an accountancy body which would define rules and standards for the accounting profession and auditing practices in the country.

Gambia

The accountancy profession in the Gambia needs to be developed. There is a very long road ahead. The Association of Accountants is very small and is run by volunteers. It is currently attempting to gain statutory recognition, but this is a slow process. Students wishing to become accountants are hampered by a poor educational system, which does not provide any high-level professional accounting tuition, and they are not successful in correspondence courses. The Government has been lax in its own accounting systems, and only recently has its staff been given financial management training. The accounting profession feels that government backing for the profession is essential if accounting is to be developed in the Gambia.

Kenya

Unlike many African countries, Kenya has a professional accountancy body which is responsible for the formulation of accounting and reporting standards and for the code of ethics for the profession. Unfortunately, the educational system suffers from many deficiencies, particularly from a lack of funds necessary for the remuneration of full-time lecturers.

The accountancy profession is well remunerated in the private sector, but the annual supply of accountants is insufficient to meet the demand. Several recommendations could be considered to remedy those deficiencies:

(a) Improve the education system to provide better training and financial assistance to teaching bodies;

(b) Organize better planned and standardized training courses, particularly for those working in the public sector;

(c) Increase remuneration for the teaching staff;

(d) Design an adequate worker planning programme for the accounting profession;

(e) Systematize public-sector auditing and introduce strict mandates and standards of supervision.

Mali

Appropriate measures should be taken in the field of standard-setting to formulate accounting standards and generally accepted accounting principles. Training of standard setters through technical assistance is considered essential. Training programmes for accountants should be revised with a view to meeting business requirements. An overall coherent policy of accounting education and training and retraining of accountants would constitute a major improvement in the application of accounting standards and related principles and practices.

Mauritania

Technical assistance measures should be taken to train standard setters in international accounting, and a survey should be conducted concerning accounting standards and compliance. An official, national programme of accountancy training is desirable. Closer collaboration between international accounting firms and accounting apprentices is needed. The level of proficiency of practising accountants in industry and commerce should be raised by means of continuing education programmes, while the accountants who are at present theoretically at the professional level should obtain the training that would enable them to function better.

Mauritius

Mauritius has a thriving accountancy profession, with over 1,600 students studying for accountancy examinations. The Government recognizes the need to regulate accounting practices and recently established the Mauritius Accounting and Auditing Standards Committee, which will formulate and publish accounting and auditing standards and guidelines. The profession is not, however, represented by a statutorily recognized body, nor does it have its own set of examinations. The Association of Accountants of Mauritius has been trying to sponsor a bill through Parliament to remedy the situation, but its attempts have not been successful. As a result, the Association is not very highly regarded in Mauritius, and many accountants prefer to look for assistance to their United Kingdom body. Studying for United Kingdom examinations is the main difficulty facing development of the profession in Mauritius, since there is only limited low-level tuition available on the island.

Morocco

The accounting system in Morocco is not well developed, since there is no legal or regulatory framework for accounting standards and the disclosure of information. The adoption of the Plan comptable marocain will help to improve information disclosure, but it will also increase the demand for accountants. The establishment of a national diploma in accounting would increase the supply of accountants. Morocco needs technical assistance for several reasons:

(a) The supply of staff is inadequate, particularly for accounting technicians, and there is definite need for improvement in quantity and quality. Too often the professional qualifications of the technicians are unsuited to the needs of the market. Technical assistance could be used to create more management schools with specialized courses in accounting and better training for teaching staff with practical experience, and more teaching materials, such as computers. Morocco also needs improved on-the-job training. At present, there is no relationship between the business world and the schools and universities. Students are not taught the necessary skills, with the result that business offices often refuse to accept trainees.

(b) If Morocco joins international professional organizations, it will be obliged to respect international accounting standards. The National Accounting Council, a standard-setting body, will be responsible for the establishment and maintenance of those standards, which will be implemented successfully if the profession is well organized and is adequately regulated, both in terms of entry and a code of ethics.

Rwanda

There is general consensus that the accounting profession needs to be organized and regulated. There is also agreement that appointment to the post of Commissaire aux comptes should be subject to proof of professional qualifications. Thus, consideration could be given to the following:

(a) Enactment of new legislation governing private enterprises, including audit requirements;

(b) A review of the Plan comptable national with a view to streamlining its implementation and to improving coordination between the Ministries of Finance and of Planning regarding the monitoring of the Plan and the preparation of the tableaux de synthèse;

(c) The establishment of an association of accountants;

(d) A test of the Government's willingness to increase the annual number of accountancy graduates of the Université nationale du Rwanda.

Senegal

In the field of standard-setting, a survey to measure the level of compliance with mandatory standards of accounting would be useful. Technical assistance would also be appropriate for formulating accounting standards and training standard setters in international accounting principles. A revision of training programmes for accountants would be advisable in order to provide instruction in the comprehension and utilization of generally accepted accounting principles applied on a consistent basis so as to provide reliable and meaningful financial accounting information to users. Effective training for professional-level accountants should be offered. It would not only assist in filling the demand for accountants, but would also perhaps create a more positive image of accountancy and thereby enhance the role of professional accountants in the promotion and application of accounting standards.

Togo

The formulation of accounting standards is essential. The activation of the Conseil national de la comptabilité and the adoption of a plan comptable

based on the actual requirements of business enterprises are necessary steps that should be taken in order to provide a framework for proposing solutions to theoretical and practical accounting problems and to advice on proposed accounting rules and recommendations. Technical assistance will be enhanced with the eventual establishment of a training institution for certified public accountants and the improvement of present educational and training programmes in the field of accounting and auditing.

(NOTE: Gabon was not examined in the Africa survey.)

Source: "Accountancy development in Africa: challenge of the 1990s" (ST/CTC/109).

Annex II

PRELIMINARY LIST OF ENVIRONMENTAL FORCES FOR AND AGAINST ACCOUNTING DEVELOPMENT, WITH ROUGH ESTIMATES OF THEIR STRENGTH a/

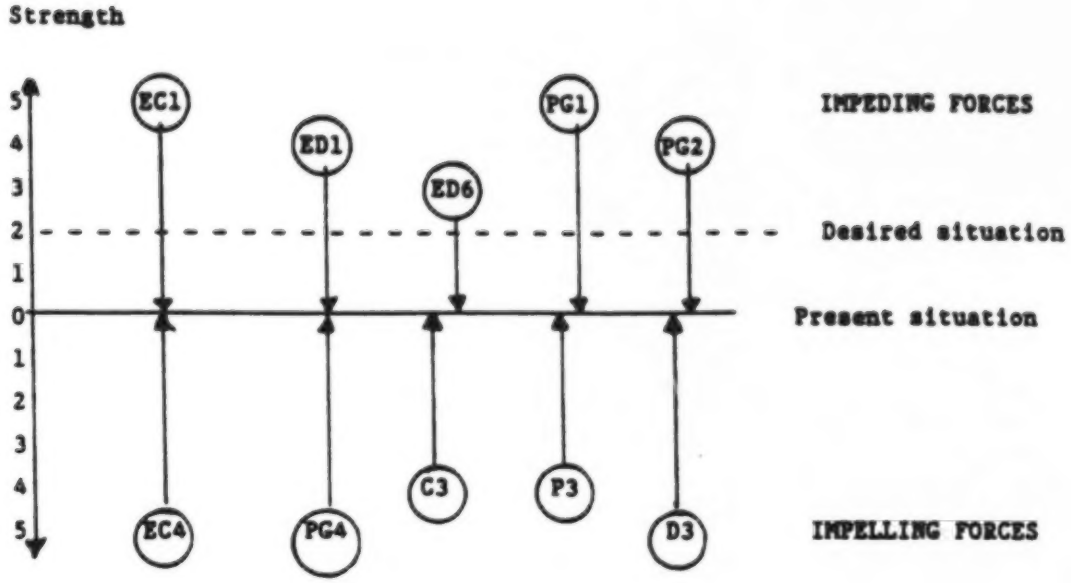
	Force	Strength
	Economic	
EC1	Dependence on markets for commodities and raw materials	- 5
EC2	Dependence on donors for "bailing out" balance-of-payments deficit	- 5
EC3	Desire for economic progress	+ 5
EC4	Desire of country to mobilize and direct investment capital	+ 5
	Educational	
ED1	High entrance requirements	- 4
ED2	Long time to complete basic education qualifications	- 3
ED3	Accounting curricula copy those of donor countries	- 3
ED4	Conservative educational establishment	- 3
ED5	Strained educational budgets	- 3
ED6	Lack of low-cost relevant accounting textbooks	- 4
ED7	Lack of local research	- 3
	Political/governmental	
PG1	Post-independence government fragility	- 5
PG2	Fragility increases need for confidentiality in government finance	- 4
PG3	Poorly paid government accountants lack status	- 3
PG4	Desire for political stability	+ 5
PG5	Desire for efficient public service	+ 5
	Cultural	
C1	Group feeling more important than professional independence	- 2
C2	Unfamiliarity with complex commercial arrangements	- 2
C3	Desire for prosperity	+ 4
C4	Respect for authority	+ 4
C5	Security of employment versus effective service	- 2
	Professional	
P1	Local professional traditions not yet well developed	- 1
P2	Expatriates wish to remain in privileged positions	- 3
P3	Desire for professional status and employment	+ 4

	Force	Strength
	Donor-agency systems	
D1	Bilateral donors prefer to set up their own systems with their own nationals as experts	- 3
D2	International agencies have done too little research on local accounting needs	- 1
D3	Desire and mandate to "do good"	+ 5

Source: International Labour Office, Entrepreneurship and Management Development Branch, "Dynamics of accounting development in Africa". Working paper (26 May 1987).

a/ Strength is shown on a scale of - 5 (most impeding) to + 5 (most impelling).

Figure. Examples of impeding and impelling forces in accounting development, based on list in annex II



Annex III

INSTRUMENT FOR EVALUATING a/ THE DESIGN OF NEW ACCOUNTING DEVELOPMENT PROJECTS

Criteria, by group	Maximum points
1. Political and government support Political and government stability; support of a powerful political leader willing to "own the project"; real priority for the project; demonstrated willingness to commit local resources for the full government contribution; absence of "political fictions" in the project; document history of other successful projects; real plans for continuity after the project horizon	20
2. Critical key purpose Clearly defined; limited; realistic; achievable in the project horizon; related to factors of accounting demand, supply, quality and environment; related to resources now and later; technical rather than political; well recognized in the country as necessary	20
3. Viable target population Available; qualified; stable; motivated; enduring interest; sufficient numbers; opportunities for women; educational background adequate; opportunities for improvement related to the limited home environments	20
4. Valid assumptions in a supportive environment Realistic in relation to the environmental forces; political, economic, educational, social, cultural, organizational, etc.; properly researched; without political fictions; enduring; conservative and not overly optimistic	20
5. Plans for supervision and flexible adaptation Regular monthly and quarterly supervision provided for in the project document and realistic in relation to the available communication systems; planned flexibility to adapt for changes in the project resources, environment and assumptions	20
Total maximum score	100

Source: International Labour Office, Entrepreneurship and Management Development Branch, "Dynamics of Accounting Development in Africa". Working paper (26 May 1987).

a/ Assessment:

80-plus	Excellent
51-79	Acceptable
Under 50	Need for design changes?